

**Summary of Consolidated Purchasing
Arrangements, Shared Service Arrangements and
The Efforts of School Corporations to explore
Cooperatives, Common Management,
Or Consolidations as reported
By Education Service Centers and School Corporations
For the 2011-2012 school year**

**Indiana Department of Education
September 21, 2012**

Introduction

In accordance with I.C. 20-42.5-3-3, the State Board of Education is required to submit a report no later than November 1st of each year to the state superintendent, governor, and the Indiana General Assembly concerning:

- 1) Consolidated purchasing arrangements used by multiple school corporations, through educational service centers, and throughout Indiana;
- 2) Shared service arrangements used by multiple school corporations, through education service centers, and in Indiana as a whole; and
- 3) The efforts of school corporations, to explore cooperatives, common management, or consolidations.

The Department of Education conducts the annual survey and collects and reports the data supplied from public school corporations and education service centers. The time frame for collecting data for schools and education service centers is the same and the information is based on 2011-2012 school year. Summary information provided in the surveys is included in the framework of this report. Surveys covered the three required statutory elements of consolidated purchasing arrangements, shared service arrangements, and efforts of school corporations to explore certain areas, and the results are analyzed in separate sections.

In an effort to streamline the 2011-2012 survey, respondents were only asked three questions related to the purchasing survey.

➤ **SCHOOL CORPORATION SURVEY RESULTS**

Introduction

The first part of the report analyzed Indiana school corporations' use of consolidated purchasing arrangements, shared services arrangements, and efforts to explore cooperative purchases. The Department posted a survey consisting of three multi-part questions asking respondents to answer whether or not they had undertaken any of the individual opportunities listed. If they responded with a yes, they were asked to provide information concerning the activity and possible savings realized from the activity. The questionnaire addressed the same 3 areas targeted in the education service center survey of purchasing, shared service practices, and efforts to further explore purchasing or service options. School corporations were asked to respond with information about activities that were undertaken *excluding* activities through education service centers.

Approximately 223 of Indiana's 366 school corporations and charter schools responded to the on-line survey.

Question 1 – School Corporations – Member Information

The first question asked whether or not a school was part of a formal education service center, special education, vocational education, insurance trust, fuel consortium, or energy consortium. If the school corporation was a member of a consortium, the question asked whether there was an ADM or other fee associated with membership.

Question 1A – This question asked schools whether or not they belong to a special education cooperative. Of the 223 respondents, 189, or 84.8%, replied that they were members in a special education cooperative. Larger school districts, particularly those in Marion County, have a special education population large enough to justify in-house special education programs and services at their facilities.

Of the schools participating in a special education cooperative, the fee is a flat fee per student or an annual fee. The following fee breakdown was provided:

- 17 schools reported fees per student that were between \$0 and \$10.
- 3 schools reported fees per student that ranged between \$10 and \$25.
- 57 schools reported fees per student that was greater than \$25 per student.
- 25 schools reported an annual fee between \$0 and \$1000 to participate in a special education cooperative.
- 87 schools reported an annual fee of more than \$1000 to participate in a special education cooperative.

Estimated total annual savings reported for those schools participating in a special education cooperative was estimated at \$29,381,822.

Question 1B - The second part of Question 1 asked school corporations and charter schools whether or not they belong to a vocational education cooperative.

Of the responding school corporations, 188, or 84.3%, reported that they participated in a vocational education cooperative. For schools that are a part of a vocational education cooperative, the membership fee or cost is typically based on one a fee per student or an annual fee. The following fee breakdown was provided:

- 17 schools out of 223 reported a fee per student that ranged from \$0 to \$10;
- 6 schools reported a fee per student that ranged from \$10 to \$25;
- 85 schools reported a flat fee per student that was greater than \$25 per student;
- 23 schools reported an annual fee that ranged from \$0 to \$1000 to participate in a vocational education cooperative; and
- 57 schools reported an annual fee of more than \$1000 to participate in a vocational education cooperative.

Estimated total savings reported for those schools participating in a Vocational Education Cooperative was estimated at \$22,994,249.

Question 1C- The third part of Question 1 asked school corporations and charter schools whether or not they were a member of an Educational Service Center.

Of those schools responding, 201, or 90.1% respondents reported that they currently are a member of one of the nine regional Education Service Center.

For schools that are a part of an Education Service Center, the membership fee or cost is typically based on one a fee per student or an annual fee. The following fee breakdown was provided:

- 140 schools out of 223 reported a fee per student that ranged from \$0 to \$10;
- 8 schools reported a fee per student that ranged from \$10 to \$25;
- 8 schools reported a flat fee per student that was greater than \$25 per student;
- 7 schools reported an annual fee that ranged from \$0 to \$1000 to participate in a vocational education cooperative; and
- 38 schools reported an annual fee of more than \$1000 to participate in a vocational education cooperative.

Estimated total savings reported for those schools participating in an Education Service Center was estimated at \$5,994,570.

Question 1D- The fourth part of Question 1 asked school corporations and charter schools whether or not they were members of an insurance trust. One hundred sixteen, or 52% of survey respondents, answered they were a member of an insurance trust. The trust could be accessed through an Education Service Center or any organization that pools resources in order to obtain insurance.

For schools that are a part of an Insurance Trust, the membership fee or cost is typically based on one a fee per student or an annual fee. The following fee breakdown was provided:

- 12 schools out of 223 reported a fee per student that ranged from \$0 to \$10;
- No school reported a fee per student that ranged from \$10 to \$25;
- 3 schools reported a flat fee per student that was greater than \$25 per student;
- 63 schools reported an annual fee that ranged from \$0 to \$1000 to participate in a vocational education cooperative; and
- 38 schools reported an annual fee of more than \$1000 to participate in a vocational education cooperative.

Estimated total savings reported from those schools participating in an Insurance Cost was estimated at \$23,525,068.

Question 1E- The next part of Question 1 asked school corporations and charter schools to respond whether or not they were a member of a fuel consortium.

Of the responding schools, 13, or 5.8%, indicated that they purchased fuel consortium.

For schools that are a part of a Fuel Consortium, the membership fee or cost is typically based on one a fee per student or an annual fee. The following fee breakdown was provided:

- 1 school out of 223 reported a fee per student that ranged from \$0 to \$10;
- No school reported a fee per student that ranged from \$10 to \$25;
- No school reported a flat fee per student that was greater than \$25 per student;
- 8 schools reported an annual fee that ranged from \$0 to \$1000 to participate in a vocational education cooperative; and
- 4 schools reported an annual fee of more than \$1000 to participate in a vocational education cooperative.

Estimated total savings reported from those schools participating in a Fuel Consortium was estimated at \$571,652.

Question 1-F The next part of Question 1 asked school corporations and charter schools to respond whether or not they were a member of an Energy consortium.

Of the responding schools, 87, or 39%, indicated that they were a member of an Energy Consortium.

For schools that are a part of an Energy Consortium, the membership fee or cost is typically based on one a fee per student or an annual fee. The following fee breakdown was provided:

- 3 schools out of 223 reported a fee per student that ranged from \$0 to \$10;
- No school reported a fee per student that ranged from \$10 to \$25;
- No school reported a flat fee per student that was greater than \$25 per student;
- 43 schools reported an annual fee that ranged from \$0 to \$1000 to participate in a vocational education cooperative; and
- 41 schools reported an annual fee of more than \$1000 to participate in a vocational education cooperative.

Estimated total savings reported from those schools participating in an Energy Consortium was estimated at \$2,375,757.

Question 1-G Schools that reported they were a part of a school corporation arrangement, governmental entity arrangement, or another arrangement estimated total savings at \$2,251,104, \$796,770, and \$1,565,103 respectively.

Additionally, 186 , or 83.4% of, respondents said they were registered at K12Indiana.com to allow procurement through state purchasing agreements. Estimated savings from K12Indiana.com were reported at \$1,178,664 for the participating schools.

Question 2 open-ended regarding innovative ways to reduce costs

Question 2 asked for some of the innovative ways or best practices school officials have used to reduce costs? Additionally, school officials were asked whether it was through

a consolidated purchasing agreement, share services, or cooperative agreement, schools were asked to specify.

The following responses were offered for question 2:

- Purchased energy through futures;
- Transferred special education teachers into the district has reduce overall costs by 20%;
- Adopted new products has reduced utilization/costs for cleaning supplies;
- Worked with local vendors to reduce costs in the areas of waste disposal, uniform suppliers, solar roof through energy savings;
- Reduced costs through Energy Leadership Program, Employee Online, A/P Credit Card system, Outsourcing custodians, procurement card program, office supply program, inbound freight program, and textbook accountability program;
- Purchased used textbooks through Follett Educational;
- Used Education Service Centers;
- Implemented stricter limitations on copying and printing;
- Obtained more than one quote when purchasing items or services
- Determined whether an item is a true need and what is the most economical way to meet school goals and needs;
- Enacted an Energy Education program to reduce utility costs;
- Joined US Communities, Hospital Purchasing Services, National Joint Powers Alliance and/or The Cooperative Purchasing Network (TCPN);
- Used shared staff when feasible;
- Used Education Service Centers or Cooperatives for certain services;
- Implemented longer work days during the summer to save on energy costs;
- Implemented a school wellness program;
- Utilized the k-12Indiana.com system;
- Used IN Bond Bank Fuel budget program;
- Used cooperative and shared service arrangements;
- Used Federal ERate program; and
- Vendor purchasing agreements

Question 3 – School Corporation Independent Purchases

Question 3 – This question asked school corporations and charter schools whether they have purchased supplies or services independently that are available through a membership in any of the above listed organizations.

One hundred forty one schools, or 63.2%, used independent bidding to achieve better pricing compared to 82 schools, or 36.8% that did not use it. Fifty six schools, or 25.1%, favorably responded to using brand preference compared to 74.9% that did not favorably respond.

One hundred four schools, or 46.6% of respondents, reported they negotiated pricing with the vendor using service center pricing compared to 119 schools, or 53.4% that did not

use negotiated vendor prices. Forty schools, or 17.9%, cited contractual obligations as a reason for purchasing supplies or services independently rather than through membership in an organization while 82.1% did not.

Twenty two schools, or 9.9%, used teacher packaging that was available at no additional charge compared to 90.1% that did not use teacher packing. Teacher packing is a service provided by a few vendors that offers large discounts, free shipping, and packing of orders by teacher or classroom upon request. Teacher packaging is a desired benefit by many schools due to lack of staff to receive, sort, and distribute individual teacher orders.

Local vendor allegiance was a contributing factor for 93 schools, or 58.2%, in 2012, or 130 schools, or 41.7%, that did not use vendor allegiance. Vendor allegiance improves goodwill in the community. Having vendor allegiance agreements is beneficial to both schools and the business. For 2012, the State's QPA was used by 106 schools, or 47.5%, compared to 117 schools, or 52.5% that did not use vendor allegiance. Thirty one schools, or 13.9% of those responding, used local government inter-local agreements while 192 schools or 86.1% did not.

➤ **EDUCATION SERVICE CENTER SURVEY RESULTS**

Education Service Centers (ESC)

For the 2011-2012 school year, two separate reports were filed for Education Service Centers. The first report was for Wilson Education Service Center (WESC) and the second report covered the remaining eight regional Education Service Centers.

WILSON EDUCATION SERVICE CENTER

Wilson Education Service Center "WESC" located in Region 2, provided information in three areas- consolidated purchasing services, shared services, and explored services for its members. Its membership includes 37 schools, both private and public. Additionally, one hundred seventy-three (173) service centers, public, charter and private schools that are not members of Wilson Education Service Center have participated in activities undertaken by WESC during the 2011-2012 school year.

Consolidated Purchasing Sales

Consolidated purchasing sales for Region 2 totaled \$23,994,340 for the 2011-2012 school year with the majority of purchases coming from school bus at \$8,179,830, computer equipment at \$7,790,527 and copiers at \$1,349,279. The three items made up 72.18% of the total purchases for the Region. Total savings realized by Wilson Education Service Center was \$5,617,510 for the school year. Member units accounted for 47.78% of the total purchases while non-member units accounted for 52.22% of total purchases. For savings, member units represented 34.22% of the total with non-member units accounting for 65.78% of the total sales.

Overall, New Albany Floyd Co School had total purchases of \$3,013,005 and total savings of \$469,575. The savings represented 8.36% of the WESC savings. West Clark Community Schools had total purchases of \$915,053 and total savings of \$177,257, which represented 3.16% of savings. Greater Clark County Schools had total purchases of \$868,499 and total savings of \$141,338, which represented 2.52% of total savings. The top three areas for total purchases between all schools were school buses at \$6,992,363, computer equipment at \$843,566 and software at \$704,328. These three areas represented 74.5% of the total purchases.

The top three non-member participants in consolidated purchases were Carmel Clay Schools with \$1,063,650 in purchases and \$351,240 in savings; Indianapolis Public Schools with \$1,190,565 in purchase and \$329,309 in savings; and MSD Southwest Allen County with \$1,113,168 in purchases and \$368,100 in savings. The top three purchasing areas for non-member participants were computer equipment at \$6,946,961; copiers at \$1,260,971 and school buses at \$1,187,467.

The table below summarizes consolidated purchasing activities for all public and private schools in the Wilson Education Service Center Region for both members and non-member participants.

Total savings for all members and non-members was \$5,617,510 for the school year.

WESC Consolidated Purchasing Sales	Total purchasing	Art Supplies	Audio Visual	Copy Paper	Carpet Tiles	Classroom Paper	Classroom Resources	Computer Equipment	Copiers	Custodial Supplies	First Aid Supplies
ESC2 - Wilson ESC	23,994,340	164,603	402,776	1,109,603	1,003,179	416,653	239,055	7,790,527	1,349,279	194,088	12,048

WESC Consolidated Purchasing Sales	Modular Buildings	Furniture	Ink Cartridges	Lamps Ballasts	Library Supplies	Office Supplies	School Bus	Software	Life Insurance	Long Term Disability	ISESC Trust	Sports supplies
ESC2 - Wilson ESC	670,290	82,502	392,254	34,029	188,050	234,480	8,179,830	910,453	149,024	156,496	298,331	16,790

Shared Services

Shared service activities represent a combination of member and non-member services and 88,741 opportunities for the 2011-2012 school year. It represents a value added service reflected through a count. The three largest areas of shared services represented 96.4% of the activity. The top three areas included 7,522 Professional Growth points issued, 7,071 career staff days provided, and 70,932 school background checks.

The top three schools using shared service opportunities were non-member WESC with 119,960, Greater Clark County School with 3,730; and West Clark Community Schools with 12,172 shared service opportunities. There was not a shared service category that was utilized by all participants. There were a few categories with very little participation by members and non-members. Those areas included Star lab Services, On Site Professional Development, Destination Imagination, Dr. Louisa Moats Reading Conferences, and the Ace Math Program.

The table below provides a shared service summary for WESC for the 2011-2012 school year.

WESC Shared Services Summary	Total	R2 Shared Services	AV Copier Repair	Prof Videos loaned	Star lab	On Site Prof. Dev.	Web Based Prof. Dev.	Prof Growth Points	Instructional Kits
ESC2 - Wilson ESC	88741	596	237	123	17	92	7522	226	994

WESC Shared Services Summary	Destination Imagination	SES Students Trained	Learning 360-Buildings	Mini-courses	Graduate Credit	Dr. Louisa Moats Reading Conference	IAQ Equipment & Testing	Career Staff Days	School background Checks	Ace Math Program
ESC2 - Wilson ESC	9	56	88	156	26	19	466	7071	70932	111

Explored Services Summary

Wilson Education Service Center had 120 offerings for explored services in the areas of medical clinics, credit recovery, and innovation grants. The forty (40) participants, both member and non-members, each explored each area one time for a total of three explored service activities. Each area represented 33.33% of the overall activity.

Below is the summary of explored services for the 2011-2012 school years for Wilson Education Service Center.

WESC Explored Services Summary	Total	Medical clinics	Credit Recovery	Innovation Grant
ESC2 - Wilson ESC	120	40	40	40

OTHER EDUCATION SERVICE CENTERS

Educational service centers are organized in a nine-region structure (see diagram below) that serves the needs of its 343 member school corporations and charter schools as well as associate and non-members by providing core services such as educational planning, project piloting, commodity buying, media and technology services, as well as providing professional development opportunities. ESCs support and facilitate actions by school corporations through a wide range of products and services, which enable members to realize dollar savings through volume discounting. Service centers enable cooperative purchasing, and service sharing activities as well. Identified savings can be translated into additional available dollars for classroom instruction and instructional activities. This structure allows school corporations the opportunity to offer cooperative and shared programs and services that it may not be individually able to provide but can collectively provide through the Education Service Center.

ESCs are funded through membership fees, administrative fees, and develop other self-generated income activities, such as grant writing and entrepreneurial programs. Membership in an ESC is not mandatory, but voluntary, for school corporations, with the average membership fee at \$4.19 per ADM compared to the minimum required fee of \$3.00 per ADM. The Indiana General Assembly determines the minimum required fee as part of the biennium budget.



- 1 Southern Indiana ESC
- 2 Wilson Education Center
- 3 West Central Indiana ESC
- 4 East Central ESC
- 5 Wabash Valley ESC
- 6 Northwest Indiana ESC
- 7 Northern Indiana ESC
- 8 Region 8 ESC
- 9 Central Indiana ESC

Education Service Centers actively recruit new membership in order to reduce costs to schools that may be working independently to make purchases or provide services. (See Service Center Membership by Region below) By helping corporations realize economies of scale, the service centers are helping school corporations, charter schools, and private schools become more efficient and effective in their efforts to direct monies to the classroom.

ESCs regularly survey their membership in an effort to identify potential service needs and then use that information to research the feasibility of piloting and/or offering those services to member schools. This report will touch on some of these efforts as both the ESCs and corporations continue to seek ways to save money and provide valuable services and/or programs.

Through cooperative and shared services, ESCs can assist school corporations with offering, supplementing, equalizing, and supporting their initiatives and activities in a school district that may not be able to provide supplemental programs and services to its students without these arrangements. Below is a table identifying Service Center membership by region. The other category includes public schools outside the region, private schools, cooperatives, and non-member entities.

Service Center Membership by Region				
<u>School</u>	<u>Charters</u>	<u>Other</u>		
<u>Corps</u>				
34	0	10	1	Southern Indiana ESC
separate	report	filed	2	Wilson Education Center
20	1	9	3	West Central Indiana ESC
42	0	5	4	East Central ESC
35	1	9	5	Wabash Valley ESC
25	9	15	6	Northwest Indiana ESC
32	2	12	7	Northern Indiana ESC
32	1	14	8	Region 8 ESC
<u>20</u>	<u>0</u>	<u>15</u>	9	Central Indiana ESC
240	14	89		Total Membership
Table 1 Public School Corporation, Charter School and Other Membership by Region				

Role of the ESC in Consolidated Purchasing and Shared Services

Educational Service Centers actively assist, support, and facilitate procurement activities for school corporations by removing much of the administrative overhead involved with specifications writing, advertising, bidding, evaluating, and awarding products through the use of ESC cooperative agreements. This service is of particulate value to any school that does not have the resources to perform the work using internal staff. Having this

service enables schools of all sizes the opportunity to participate on programs and purchasing arrangements that might have been too expensive in terms of time and money if done so on an individual basis.

Each task in the bidding and procurement process carries significant costs to school corporations in terms of time, staff, and financial resources and this is particularly true for smaller school districts. When ESC's services are utilized, the resulting monetary savings can translate directly into increased dollars available for the classroom.

In this year's survey, it was reported by ESCs that they jointly supported 240 public school corporations, 14 charter schools, 89 other members and non-members with cooperative purchasing practices. Total ESC membership, including Wilson Education Service Center, is to date is 349 entities compared to last year's figure of 351 entities, representing less than a one percent decrease. Additionally, ESCs provided supplemental services and programs that directly affected achievement for 711,574 (excludes Wilson ESC) students compared to last year's student count of 714,556 students by providing learning opportunities for students or in-service opportunities for the member educators. If private schools, parochial schools, and other governmental entities participate in cooperative purchasing through the ESCs, the data generated from the school is included in the report.

ESC Accomplishments in 2011-2012

Accomplishments include:

- Tutoring
 - Providing Supplemental Education Services (SES) again statewide to Title I schools not meeting Adequate Yearly Progress (AYP).
 - Implementing the Indiana Department of Education initiatives by providing quality professional development for teachers/administrators to improve student learning. This includes in service on Indiana Common Core Standards; RISE training for primary and secondary evaluators; and providing research based professional development on early reading instruction for K-3.
- Consolidated Purchasing
 - Continuing to offer and improve a statewide bus bid that is utilized throughout the eight ESC's that this report reflects;
 - Continuing to consolidate local bidding for food service, dairy, bakery, commodity food items, and food service supplies that drives down the price and saves time at the local school level;
 - Implementing K-12 Indiana: this is a statewide purchasing site that provides competition to the IAESC site thus creating better prices for all.
 - Educational Service Center Risk Funding Trust (ESCRFT): insurance trust for Property/Casualty/Workmen's Compensation. This trust is in its 4th year and provides a great alternative/competition for insurance that was not available before. Twenty-five school corporations have found this

alternative that works so well for health insurance, works equally well for this purpose.

Questions 1 & 2 - ESC Consolidated Purchasing Efforts

Question 1 – This question inquired whether or not Education Service Centers entered into consolidated purchasing arrangements on behalf of multiple schools or charter schools.

Education Service Centers did enter into consolidated purchasing arrangements on behalf of multiple school corporations and charter schools as well as private schools and cooperatives.

Question 2 – This question asked Education Service Centers to provide a listing of such consolidated purchasing arrangements to include the commodity or item purchased, volume (if known), participating school corporations or charter schools, and estimated savings realized.

Cooperative purchasing sales is broken into Statewide and Local categories. For Statewide, the total was \$72,253,705 and for the Local Cooperative Purchasing Sales, the total was \$117,672,906. The local share was 61.9% of the total amount.

Last year, \$195,511,715 in purchasing sales occurred through the combined ESC model for 2010-2011. For 2011-2012, purchasing sales were \$189,926,611, which reflects a \$5.6 million decrease. ESCs with the top purchasing sales are Central IN ESC at \$52,283,417; Region 8 at \$29,688,237; Northwest IN ESC at \$27,620,576; and Wabash Valley ESC at \$25,933,171. Last year's top consolidated purchasing sales were reported by East Central ESC at \$22,155,402, Southern IN ESC with purchases of \$7,108,190, West Central IN ESC at \$15,263,188, and Northern IN ESC at \$13,430,650. The majority of all purchases came from Central IN ESC representing 27.5% of the total purchases of the represented Education Service Centers.

The estimated savings for consolidated purchasing sales was \$18,992,661 or \$26.69 per ADM. The top three consolidated purchasing sales areas were School Bus Purchases at \$48,843,683, Food Services at \$34,291,098 and Health Insurance at \$34,098,709. This represents 61.7% of the total. Last year, health insurance, bus purchases and food services were the top three areas.

The top five categories of purchasing sales were:

Bus Purchases	\$48,843,683
Food Services	\$34,291,098
Health Insurance	\$34,098,709
Apple Computer	\$19,932,767
Information Technology	\$12,772,416

Other collaborations were in the areas of dairy, bulk fuel, liability and workers compensation, copy paper, bakery, audio visual, and commodity fuel, office supplies, copy machines, waste disposal, Microsoft software, cart-toner-ribbon, and more.

Participating ESCs reported purchases in the areas of art, audio visual, copy paper, food service, liability and workers compensation, school bus, and office. Some areas noting fewer purchasing activities included administrative software, roofing, books, food service supplies, and tech recycling.

During 2011-2012, the lowest ADM of 38,564 was in West Central IN ESC, which was the lowest in the 2010-2011 survey at 49,061. West Central IN ESC had purchasing sales of \$16,381,942 in 2012 compared to \$15,263,188 in 2011. For 2012, purchases per student were \$266.91 compared to total purchases per student of \$311.11 in 2011. During 2011-2012, the highest purchasing was at Central IN ESC at \$52,283,417 compared to its' total purchasing sales of \$76,041,437 in 2010-2011.

The top three purchase areas for each Education Service Center were the following:

- Southern IN ESC
 - School bus purchases at \$2,190,178
 - Health insurance at \$1,132,146
 - Commodity Food at \$630,369
- West Central IN ESC
 - Health insurance at \$9,410,531
 - School bus purchases at \$5,461,669
 - Food service at \$546,973
- East Central IN ESC
 - Health insurance at \$10,041,489
 - School bus purchases at \$5,867,745
 - Food service at \$1,794,391
- Wabash Valley ESC
 - Health insurance at \$13,514,543
 - School bus purchases at \$6,041,260
 - Information technology at \$2,677,531
- Northwest IN ESC
 - Food service at \$9,473,516
 - Information Technology at \$5,828,088
 - School bus purchases at \$5,542,976
- Northern IN ESC
 - School bus purchases at \$4,854,825
 - Dairy at \$2,368,882
 - Apple Computer at \$1,462,760
- Region 8 ESC
 - Apple Computer at \$13,562,933
 - School bus purchases at \$6,169,743
 - Food service at \$3,992,219

- Central IN ESC
 - Food service at \$16,771,280
 - School bus purchases at \$12,715,287
 - Dairy at \$4,770,681
- Wilson (separate submission)

Total cooperative purchasing sales for 2011-2012 was \$189,926,611 and total membership fees were \$3,043,493 resulting in an estimated savings of \$18,992,661. The return on investment was 624% ($18,992,661/3,043,493$). The statewide breakdown of \$189,926,611 was \$72,253,705 for the state and \$117,672,906 for local purchasing.

For 2010-2011, cooperative purchasing totaled \$195,511,715 with total membership fees of \$2,939,666 resulting in an estimated savings of \$19,551,172. The return on investment was 665% ($19,551,172/2,939,666$). The breakdown was \$60,093,317 for statewide cooperative purchasing sales and \$135,418,399 for local cooperative purchasing sales.

Total cooperative purchasing revenue for all ESCs included in the report for 2011-2012 was \$538,184 with statewide cooperative purchasing revenue of \$160,481 and local cooperative purchasing revenue of \$377,703. Statewide cooperative revenue was 29.8% of the total while local cooperative revenue was 70.2% of the total. Last year, total cooperative purchasing revenue for all ESCs included in the report for 2010-2011 was \$338,750 with statewide cooperative purchasing revenue of \$116,764 and local cooperative purchasing revenue at \$221,986. Local revenue represents 66% of the total while state cooperative revenue represents 34% of the total. Education Service Center revenue per student in 2011-2012 was \$.76 compared to \$0.47 per student in 2010-2011.

The top five revenue sources, representing 73.7% of the total, are:

- Food Service \$186,656
- Dairy \$102,458
- Audio Visual \$ 48,108
- Information technology \$ 35,073
- Copy Machines \$ 24,476

Other revenue sources included administrative software, art, carpeting cart-toner-ribbon, classroom paper, custodial, furniture, information technology and more.

Revenue totals by service district are Southern IN ESC- \$35,825, West Central IN ESC- \$8,315, East Central ESC- \$32,536, Wabash Valley ESC- \$41,360, Northwest IN ESC- \$142,340, Northern IN ESC- \$72,821, Region 8 ESC- \$107,747, and Central IN ESC- \$97,239. Wilson ESC filed a separate report.

Questions 3 & 4 - ESC Shared Services Efforts

Question 3 – The question asked Education Service Centers if, during the last twelve months, the Service Center entered into any shared service arrangements on behalf of multiple school corporations or charters schools.

Question 4 – Asked Education Service Centers to provide a listing of shared services arrangements among school corporations or charter schools, including the kind of the shared service, the school corporations involved, and an estimate of savings realized from this arrangement.

For 2011-2012, there were 50 shared service opportunities compared to 49 shared service opportunities in 2010-2011 offered by the Educational Service Centers. There were many categories of shared services, which provided different results depending on the program. Shared Services and Explored Services cannot be quantified to a single denominator. This is an area that offers great value as a result of being a service center member. Both areas represent a large group of unlike activities (some school corporations, school wide versus, or individuals alone) and opportunities that enhance the quality of student learning.

The top five areas of shared services were:

- Stream, Learn 360 at 176,526, representing the number of items streamed;
- Credit, Professional Growth Points at 152,530, representing the number of credits issued to teachers, principals, etc for license renewal;
- Professional Development Attendees at 65,397, representing the number of staff days for professional training;
- Tech Recycling at 61,081; and
- Substitute Teachers System at 32,382.

Educational Service Centers shared service totals were:

- Wabash Valley ESC at 41,476
- Northwest IN ESC at 40,933
- Northern IN ESC at 62,928
- East Central ESC at 31,687
- Region 8 ESC at 30,450
- Southern IN ESC at 38,457
- West Central IN ESC at 83,528
- Central Indiana ESC at 213,151

Other shared service opportunities included Electronic Newsletters, Britannica Students Served, Indiana Online Academy, Media Services, E-Procurement Orders, Drivers Education, Star lab, Professional Meeting Attendees, SES-Students Trained, Background Checks, and more. The bottom three Shared Service Categories were Shared Dietician, Board Docs and Network Security.

Questions 5 & 6 - ESC Shared Services Efforts

Question 5 – This question asked whether a Service Center explored cooperating purchasing, shared management services, or consolidations on behalf of school corporations or other charter schools.

The Explored Services area represents a group of unlike activities and opportunities that is driven by members. An Explored Service is an activity or service that the Educational Service Center explores the value of for members either to purchase or share. If interest is expressed or a potential benefit exists, the Educational Service Centers will offer the activity or opportunity as a shared service or consolidated purchase in the following year, in this case 2013.

Of the eight service centers, included in the report, four reported explored cooperative purchasing, shared management services, or consolidations on behalf of school corporations and four did not report explored services. Southern IN ESC utilized 233 explored services with Wabash Valley ESC at 314, West Central ESC at 53, and East Central at 418. The overall total of explored services for all ESCs was 1,018.

Question 6 – This question asked for a listing of activities pertaining to cooperative purchasing, shared management services, or consolidations to include the nature of the activity and the school corporations or charter schools involved.

Opportunities	Explored Services	Participating ESC
34	3rd Party Food Svc. Bid	East Central
31	Common Core Math Mail	Southern IN ESC
4	Alternative Schools	Wabash Valley ESC
19	Wellness Clinics	Southern IN ESC
17	Design Build	Southern IN ESC
20	Bonds for Building	Southern IN ESC
22	Online School Safety PD	Southern IN ESC
42	Background Checks	East Central ESC
22	New Tech in Copying	Southern IN ESC
20	Exp Criminal History Check	Southern IN ESC
23	New Roofing Tech	Southern IN ESC
19	Updating WiFi	Southern IN ESC
19	Teacher Evaluation Tech	Southern IN ESC
42	Tech Fair	Wabash Valley ESC
42	Strategic Planning	Wabash Valley ESC
42	School Board Retreat	Wabash Valley ESC
42	Prof. Dev. Library	Wabash Valley ESC
42	Community Engagement	Wabash Valley ESC
42	Consolidation Studies	Wabash Valley ESC
42	PR Marketing	Wabash Valley ESC
29	Natural Gas	East Central ESC
48	Offsite Backup	East Central ESC
22	Online Drivers Ed	West Central ESC
23	Outsourced Custodial	West Central ESC
47	Risk Management	East Central ESC
60	RUS Grant	East Central ESC

48	Staff Application Services	East Central ESC
33	Stream: Learn 360	East Central ESC
41	Tech Recycling	East Central ESC
4	Video Conf Meetings	Wabash Valley ESC
4	Video Conf Shared Classes	Wabash Valley ESC
52	Video Conf Training	Wabash Valley ESC; East Central ESC
21	Wind Farm	Southern IN ESC

Conclusion

There is a continued need for school corporations, charter schools, and other entities to streamline processes, consolidate purchases, share resources, and explore new services and better ways of doing things in this economic climate. Without the assistance of Education Service Centers, school corporations of all sizes would likely have limited avenues to provide a varying array of services and opportunities for students, teachers, and administrators.

School officials must continue to evaluate programs and services being offered to determine if each is in the best interest of the student population they serve. With the competition between schools to provide the best educational opportunity for students growing each year, school officials must stay abreast of the ever changing educational environment.